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**Governor Napolitano Announces \$5 Million in Loans to
White Mountain Apache Housing Authority**

PHOENIX (March 21, 2003) In a ceremony today in Whiteriver on the White Mountain Apache reservation, Governor Janet Napolitano and Water Infrastructure Finance Authority Board Chairman Steve Owens announced the historic approval of \$5 million in infrastructure loans to the White Mountain Apache Housing Authority to support construction of 300 new housing units.

The loans, \$3 million for drinking water improvements and \$2 million for wastewater improvements, represent the first time a tribe has obtained a loan through the state's revolving funds. It is also the first tribal revolving fund loan in the U.S.

In addition, WIFA is the first eligible state agency to qualify for Title VI loan security from the U.S. Dept. of Housing and Urban Development.

These loans will provide water and wastewater infrastructure for the \$25 million WMAHA Apache Dawn housing project. The Apache Dawn project is financed by the first tribal bond issue in America for housing.

The housing project responds to the housing shortage on the Fort Apache Indian Reservation, which presently has the third highest overcrowding rate among 21 Arizona tribes.

"I am very proud to serve as WIFA Chairman when the board approved these historic loans," said Owens, who is also director of the Arizona Department of Environmental Quality. "These loans demonstrate Arizona's commitment to its tribal partners and, more importantly, they will help ease the shortage of affordable housing on the reservation."

Once built, the water and wastewater treatment facilities will be operated by the white Mountain Apache Utility Authority in coordination with the Bureau of Indian Affairs and Indian Health Services.

(For additional information, see attached **FACT SHEET**)

* WIFA's \$2 million wastewater loan will pay for sewer infrastructure for housing units in Cedar Creek, South Cibecue, East-Fork/Turkey Creek, Canyon Day, Chinatown and McNary.

* WIFA's \$3 million drinking water financial assistance will pay for infrastructure requiring various upgrades to meet minimum water requirements for the communities of Hon Dah, Cedar Creek, South Cibecue, East-Fork/Turkey Creek, Canyon Day, Chinatown and McNary.

* The WIFA loan for water and wastewater infrastructure in the Apache Dawn housing construction will be guaranteed by the full faith and credit of the U.S. This is made possible under Title VI of the Native American Housing Assistance and Self Determination Act of 1996 (NAHASDA).

* Title VI of the Act authorizes HUD to guarantee loans to Indian tribes, or their Tribally Designated Housing Entity (TDHE), for financing affordable housing activities under NAHASDA. WMAHA is the TDHE for the White Mountain Apache Tribe.

* Specifically, HUD's National Office of Native American Programs Office of Loan Guarantee administers the Title VI Loan Program and works with Tribes and eligible lenders in securing federally guaranteed loans.

* Under the Loan Guarantee Program, HUD effectively places a lien on the borrower's Indian Housing Block Grant (IHBG) which serves as collateral against any payments HUD may make to guarantee a loan.

* The HUD Office of Loan Guarantee officially recognized WIFA as an eligible lender for Title VI loan guarantees under NAHASDA on October 24, 2002. WIFA is the "first" State entity in the country to be awarded eligible lender status under HUD's program.

Background

* Members of the White Mountain Apache Tribe reside on Fort Apache Indian Reservation. The reservation is located in northwestern Arizona in portions of Navajo, Gila and Apache Counties. It consists of approximately 1.6 million acres of land.

* Tribal membership is nearly 14,000 persons by the 2000 census. Median family income is \$14,000. Principal industries include Hon Dah Resort Casino and Conference Center, Fort Apache Timber Company and Sunrise Ski Resort.

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* WIFA is an independent state agency that administers the Clean Water Revolving Fund (CWRF) for wastewater facilities and water reclamation construction projects. It also administers the Drinking Water Revolving Fund (DWRf) for community drinking water facility construction projects.

* Both funds get their money from federal and state sources. Interest rates are typically below market rates.

* WIFA statutes enable a Native American Indian Tribe, through a designated tribal entity, to enter into a loan agreement with WIFA.

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